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NOTE VERBALE DATED 24 AUGUST 1990 FROM THE PERMANENT MISSION OF FRANCE TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

The Permanent Mission of France to the United Nations presents its compliments to the Secretary-General and has the honour to transmit to him herewith, in response to his note SCPC/7/90(1), further details of the measures taken to date by France on a national basis and as a member State of the European Economic Community (EEC) to implement Security Council resolution 661 (1990).

This note verbale supplements and updates the note verbale of 10 August 1990 which was issued as Security Council document S/21493.

1. Arms embargo: in conformity with the national provisions in force, the French Government decided on 3 August 1990 on a general embargo on exports of war matériel to Iraq and Kuwait. Since that date, all new canvassing of business, negotiations or sales to the countries in question have been prohibited. Permits as well as export licences issued before that date have been suspended.

2. Oil embargo: the institution of the embargo on oil products from Kuwait and Iraq results from the immediate application of an instruction to importers drawn up jointly on 4 August by the Ministry of the Economy and Finance and the Ministry of Industry in accordance with the arrangements provided for in the texts for the application of the Act of 30 March 1928. The provisions of EEC Regulation No. 2340/90 have applied to such imports since 7 August.

With respect to cargoes en route under contracts concluded prior to the Iraqi aggression, France has taken a position stricter than that which follows from resolution 661 (1990) by prohibiting the import of such cargoes into French territory.

3. Trade embargo: France has put into effect the Community apparatus provided for by EEC Regulation No. 2340/90 of 8 August through the following modalities:

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* Reissued for technical reasons.

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(a) Institution of an absolute ban on entry:

This ban, which went into force on 7 August, covers all products of Iraqi and Kuwaiti origin, regardless of their place of origin and final destination.

The ban relates to the physical introduction of these products into French territory, and thus applies equally to importation proper and to transit, warehousing in a free zone or temporary admission.

The only exceptions to the ban are:

- The personal effects of individuals returning from Iraq or Kuwait;

- Products shipped from Iraq or of Iraqi or Kuwaiti origin which were "exported", i.e. loaded on board, before 7 August.

(b) Institution of an absolute ban on exit:

This ban, which entered into force on 7 August, covers all products, regardless of their legal status (Community origin or third-party origin), and relates to the export or supply of goods directly or indirectly to Iraq or Kuwait. It thus applies also to deliveries made in connection with transactions concluded prior to 7 August.

This ban applies in particular to operations for which the export formalities had already been completed before 7 August but which have not yet given rise to the effective exit of the products from the territory.

The only exceptions to the absolute ban on exit from the territory are:

- Exports of medical products;

- All food products intended for humanitarian purposes in the context of emergency aid operations, subject to prior authorization by the French authorities.

(c) Representatives of the Governments of the States members of the European Coal and Steel Community (ECSC), meeting in the Council, decided (by decision 90/414/ECSC) to institute bans similar to those provided for under the EEC regulation with respect to products covered under the ECSC Treaty.

4. Freezing of Iraqi and Kuwaiti assets: Decree No. 90-681 of 2 August 1990, which entered into force with immediate effect, requires prior authorization from the Minister of the Economy for:

Exchange operations, movements of capital and payments of all kinds between France and abroad conducted on behalf of natural or legal persons resident in Kuwait or Iraq, or possessing Iraqi or Kuwaiti nationality;

The investment of assets of Kuwaiti and Iraqi origin in France and the liquidation of such investments.

These provisions have been spelt out by a decree of 4 August 1990 which makes an exception for the current expenditures of natural and legal persons whose activities are industrial or commercial in nature, subject to the submission of evidence that the transaction is genuine.

Requests pertaining to Kuwaiti assets controlled by the legitimate Government are the subject of a special instruction relating to the decree.

5. Embargo on services:

(a) The Community regulation prohibits "any activity the object or effect of which is to promote [the] sales or supplies" [prohibited in article 2, paragraph 2]. This implies in particular the prohibition of shipping by sea, air or land of goods, directly or indirectly, from or to Iraq or Kuwait.

(b) Transport:

- With regard to air transport, the decisions taken by Iraq have led to the suspension of Franco-Iraqi and Franco-Kuwaiti air transport agreements. Accordingly, air traffic is suspended. Furthermore, measures have been taken to suspend commercial relations between French airlines and Iraqi and Kuwaiti airlines (interline agreements). Requests regarding overflight, landing or refuelling by Kuwaiti aircraft still under the control of the legitimate Government are being considered on a case-by-case basis.

- With regard to shipping, apart from the trade embargo, French shipping companies have been advised to avoid Iraq and Kuwait in any case. The status of vessels flying the Kuwaiti flag which are operating as part of a consortium and are controlled by off-shore companies not been taken over by Iraq is being evaluated on a case-by-case basis.

(c) Other services: Concerning engineering contracts, an instruction was issued to the companies concerned with a view to halting the execution of such contracts. In the case of other services, the competent administrative authorities are studying the measures required under Security Council resolution 661 (1990).

The Permanent Mission of France to the United Nations would be grateful if the Secretariat would arrange to have the text of this note verbale circulated as a Security Council document.

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